

Regulated Information – Inside Information – 14 December 2017 – 2 pm CET

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Bone Therapeutics Launches Equity Placement

Gosselies, Belgium, 14 December 2017, 2pm CET – Bone Therapeutics (Euronext Brussels and Paris: BOTHE), the bone cell therapy company addressing high unmet medical needs in orthopaedics and bone diseases (the "**Company**"), today announces the launch of a private placement to raise approximately €8 million via an accelerated bookbuild offering (the "**Offering**"), with the potential to increase the size of the placement.

Bone Therapeutics currently plans to use the net proceeds of the Offering for

- Finalising the Phase I/IIA delayed-union trial (ALLOB®) and beginning recruitment of the next phase (approx. 20% of the net proceeds);
- Completion of the recruitment and follow-up of the included patients for Phase IIA lumbar spinal fusion trial (ALLOB®) and initiation of the groundwork for the next phase (*in vivo*, EU & US clinical and regulatory preparation) (approx. 20% of the net proceeds);
- Further patient enrolment of the Phase III osteonecrosis trial (PREOB®) with completion of the interim analysis and continued follow-up (approx. 20% of the net proceeds);
- Optimization and scale-up for the allogeneic product (approx. 20% of the net proceeds); and
- Other and general business expenses

Upon successful completion of the Offering, the Company expects to have sufficient cash to meet its present requirements and to carry out its strategic objectives and cover its working capital needs for a period until the end of 2018.

The book building process will commence immediately. The Company will announce the results of the Offering as soon as possible after the closing of the book building in a subsequent press release.

Trading in the Company's shares on Euronext Brussels and Euronext Paris will be suspended during the book building period and trading in the stock is expected to resume following the publication of the results of the Offering.

Bryan, Garnier & Co is acting as Sole Global Coordinator and Joint Bookrunner, and KBC Securities NV is acting as Joint Bookrunner for the placement.

Pharmstandard International S.A., a fully owned subsidiary of Pharmstandard, JSC and the investment arm of a group of companies which includes Cellthera, Pharm LLC, has expressed its intention to submit an order to the Joint Bookrunners. In addition, existing shareholders SFPI S.A. and S.R.I.W. S.A. also expressed their intention to submit an order to the Joint Bookrunners. Together, the orders of these investors are expected to cover half of the intended Offering amount. The Offering is open to institutional investors and such other investors as permitted under applicable private placement exceptions. Any final allocation to participating investors will be made by the Joint Bookrunners based on customary, objective and pre-identified criteria. No guarantee has been given as to the final allocation to Pharmstandard International S.A., SFPI S.A. or S.R.I.W. S.A., or that any allocation will be made to them, or as to the size of any such allocation.

If the number of subscribed shares would exceed 1,369,930 shares (i.e. 20% of the current outstanding shares, which can immediately be admitted to trading), the Joint Bookrunners could, as the case may be, allocate

registered, non-listed new shares to investors who are willing to accept non-listed shares and/or enter into a share swap agreement with one or more existing shareholders in order to deliver listed shares to all investors who receive allocated shares in the private placement. As part of such share swap agreement the shareholder(s) would deliver existing and listed shares to the settlement agent and would receive in exchange the same number of newly issued non-listed shares. The new non-listed shares would remain in registered form until they will be listed on the regulated market of Euronext Brussels and Euronext Paris upon approval of a listing prospectus by the FSMA on a later date.

In relation to the Offering, the Company has agreed with the Joint Bookrunners to a market customary 180 days standstill period on future share issuances, waivable by the Joint Bookrunners.

● **About Bone Therapeutics**

Bone Therapeutics is a leading cell therapy company addressing high unmet needs in orthopaedics and bone diseases. Based in Gosselies, Belgium, the Company has a broad, diversified portfolio of bone cell therapy products in clinical development across a number of disease areas targeting markets with large unmet medical needs and limited innovation.

Our technology is based on a unique, proprietary approach to bone regeneration which turns undifferentiated stem cells into “osteoblastic”, or bone-forming cells. These cells can be administered via a minimally invasive procedure, avoiding the need for invasive surgery.

Our primary clinical focus is ALLOB[®], an allogeneic “off-the-shelf” cell therapy product derived from stem cells of healthy donors, which is in Phase II studies for the treatment of delayed-union fractures and spinal fusion. The Company also has an autologous bone cell therapy product, PREOB[®], obtained from patient’s own bone marrow and currently in Phase III development for osteonecrosis of the hip.

Bone Therapeutics’ cell therapy products are manufactured to the highest GMP standards and are protected by a rich IP estate covering nine patent families. Further information is available at: www.bonetherapeutics.com.

● **For further information, please contact:**

Bone Therapeutics SA

Thomas Lienard, Chief Executive Officer
 Jean-Luc Vandebroek, Chief Financial Officer

Tel: +32 (0)2 529 59 90

investorrelations@bonetherapeutics.com

For Belgium and International Media Enquiries:

Consilium Strategic Communications

Amber Fennell, Jessica Hodgson and Hendrik Thys

Tel: +44 (0) 20 3709 5701

bonetherapeutics@consilium-comms.com

For French Media and Investor Enquiries:

NewCap Investor Relations & Financial Communications

Pierre Laurent, Louis-Victor Delouvrier and Nicolas Merigeau

Tel: + 33 (0)1 44 71 94 94

bone@newcap.eu

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statements, which speak only as of the date of this press release.

No communication and no information in respect of the Offering may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction where such steps would be required. The Offering may be subject to specific legal or regulatory restrictions in certain jurisdictions. Bone Therapeutics SA, Bryan, Garnier & Co. and KBC Securities NV take no responsibility for any violation of any such restrictions by any person. Any persons reading this announcement should inform themselves of and observe any such restrictions.

This announcement is not for release, publication or distribution, in whole or in part, directly or indirectly, in or into the United States (including its territories and dependencies, any State of the United States and the District of Columbia), Australia, Canada, Japan, South Africa or any jurisdiction into which the publication or distribution would be unlawful. This announcement is for information purposes only and does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire shares in the capital of Bone Therapeutics SA in the United States, Australia, Canada, Japan, South Africa or any jurisdiction in which such offer or solicitation would be unlawful or require preparation of any prospectus or other offer documentation or would be unlawful prior to registration, exemption from registration or qualification under the securities laws of any such jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions. The shares that are to be sold in the Offering (the "Sale Shares") have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered, sold or transferred, directly or indirectly, within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and the securities laws of any state or other jurisdiction of the United States. No public offering of the Sale Shares referred to in this announcement is being made in the United States or elsewhere.

This announcement is not a prospectus within the meaning of Directive 2003/71/EC, as implemented in each member state of the European Economic Area, and amendments thereto, including Directive 2010/73/EU to the extent implemented in the relevant member State of the European Economic Area (together, the "Prospectus Directive") nor within the meaning of Regulation EU 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/CE (the "Prospectus Regulation").

This announcement does not, and shall not, in any circumstances, constitute a public offering, nor a public offer to sell or to subscribe for, nor a public solicitation to offer to purchase or to subscribe for, securities in any jurisdiction. No action has been taken by Bone Therapeutics SA, Bryan, Garnier & Co. or KBC Securities NV or any of their respective affiliates to permit a public offering of the securities described in this announcement or possession or distribution of this announcement in any jurisdiction where action for that purpose is required.

With respect to the member states of the European Economic Area which have implemented the Prospectus Directive (each, a "Relevant Member State"), no action has been undertaken or will be undertaken to make an offer to the public of the shares of Bone Therapeutics SA requiring a publication of a prospectus in any Relevant Member State. As a consequence, the shares of Bone Therapeutics SA may only be offered or sold in any Relevant Member State pursuant to an exemption under the Prospectus Directive.

This announcement does not constitute a public offering of securities in the United Kingdom. In the United Kingdom, this document is directed only at Qualified Investors, being persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Financial Promotion Order"), (ii) "high net worth entities", "unincorporated associations" and to other persons to whom it may otherwise be lawfully communicated under Article 49(2)(a) to (d) of the Financial Promotion Order and (iii) to other persons to whom this announcement may be lawfully communicated (all such persons together being referred to as "relevant persons"). In the United Kingdom, any person who is not a relevant person should not act or rely on this announcement or any of its contents. In any EEA state other than the United Kingdom, this announcement should be relied upon only by Qualified Investors. Any investment or investment activity to which this announcement relates is available only to relevant persons and will be engaged in only with relevant persons.

Bryan, Garnier & Co. Ltd. which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the UK, and KBC Securities NV which is authorised by and under the supervision of the National Bank of Belgium and under the supervision on investor and consumer protection of the Belgian Financial Services and Markets Authority, are acting exclusively for the Company and no one else in connection with the Offering. In connection with such matters, the Joint Bookrunners, their affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in relation to the Offering or any other matters referred to in this announcement.